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New EU beef import quota – first year state of play

Report Categories:

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Report Highlights:

First year U.S. high quality beef exports into the new EU duty-free beef quota amount to 9,822 MT and value \$100 million. This is despite supply constraints as cattle numbers eligible for slaughtering under the quota specifications were slow to build.

General Information:

In July 2009, the EU opened a new 20,000 MT duty-free beef quota as part of a U.S.-EU compromise agreement in their long-standing beef hormone dispute. The first quota year ran from August 1, 2009 to June 30, 2010 and allocated beef import licenses total 9,822 MT or 49.1 percent of the available quota. The value of these first year beef exports amounts to \$100 million. This first year's quota fill has been hampered as U.S. beef producers have been slow to set up adequate supplies, as cattle must be put on a specific non-hormone treated high calorie diet for a minimum of 100 days before slaughter.

Eligible exporters

The new duty-free beef quota is an “erga omnes” quota, meaning that all exporting countries that meet the quota requirements can apply for certification authority for this quota. [Commission communication 2009/C 195/03](#) [1] of August 19, 2009 authorized the Food Safety and Inspection Service (FSIS) to sign export certificates, giving U.S. beef access into the new quota. On January 20, 2010, [Commission communication 2010/C 13/03](#) [2] also authorized the Australian Department of Agriculture, Fisheries and Forestry (DAFF) to sign certificates for Australian beef into this quota. About 200 MT of import licenses have been allocated to Australian beef since then.

Quota management

European interest for high quality U.S. beef imports into the new quota is rapidly increasing. About 380 thousand MT of import license applications were filed for the first (July) tranche of the second quota year. Because the size of the monthly quota tranches amounts to 1,666 MT, the license allocation coefficient for the July tranche is 0.434 percent ([Commission regulation \(EU\) No 526/2010](#) [3]). While the majority of the applications are from The Netherlands, at least four other EU Member States applied for U.S. beef import licenses.

[1] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:195:0008:0008:EN:PDF>

[2] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:013:0011:0011:EN:PDF>

[3] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:152:0007:0007:EN:PDF>